

Summary: Conference Report
DEPARTMENT OF EDUCATION: Senate Bill 1065
FY 2004-05



9/8/04

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| | | | | | | <i>Difference: Conf. from FY 2003-04 YTD</i> | |
|-------------------|---|------------------------------|--------------------|--------------------|--------------------|--|------------|
| | FY 2003-04 YTD (as of 2/12/04) | Revised Executive | Senate | House | Conference | Amount | % |
| IDG/IDT | \$1,000,000 | 1,072,100 | 1,072,100 | 1,072,100 | 1,072,100 | 72,100 | 7.2 |
| Federal | 65,876,900 | 60,796,800 | 60,324,250 | 60,654,700 | 60,796,800 | (5,080,100) | (7.7) |
| Local | 4,791,600 | 5,198,800 | 5,196,550 | 5,198,800 | 5,208,800 | 417,200 | 8.7 |
| Private | 701,400 | 606,600 | 701,400 | 702,100 | 606,600 | (94,800) | (13.5) |
| Restricted | 6,851,600 | 19,470,000 | 19,333,300 | 19,473,100 | 19,470,000 | 12,618,400 | 184.2 |
| GF/GP | 29,059,700 | 26,408,900 | 28,392,150 | 26,456,600 | 26,394,700 | (2,665,000) | (9.2%) |
| Gross | \$108,281,200 | 113,553,200 | 115,019,750 | 113,557,400 | 113,549,000 | \$5,267,800 | 4.9 |
| FTEs | 433.1 | 400.0 | 413.0 | 413.0 | 413.0 | (20.1) | (4.6) |

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Department of Education (DOE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the DOE include developing and overseeing the K-12 school system, certifying teachers, collecting and reporting educational data, disbursing funds to educational organizations, and providing technical assistance to school districts.

Summary of FY 2004-05 Major Budget Issues

MEAP Program Allocation

Appropriates \$25 million for the Michigan Educational Assessment Program (MEAP), which has been transferred from the Department of Treasury to the Department of Education.

Departmental Reorganization

Recommends a departmental reorganization involving the shifting of some functions to different units and the addition of a new "Educational Assessment" unit, where the administration of the MEAP will be located.

Phase out of Federal Program

Reduces \$19 million in federal grant funds to reflect the continued phase-out of the Urgent School Renovation program, which will be discontinued at the Federal level.

School Breakfast Programs

Reduces School Breakfast grants by \$2.3 million to reflect revised estimates of program costs.

Line-Item Unrolling and Travel Appropriations

"Unrolls" the line-items to show the amounts for Travel included in each item. Funds travel at 100%.

New Teacher Certification Programs

Appropriates \$75,000 for the *Limited License to Instruct* program at Wayne State University and \$75,000 to the *Alternative Route to Certification Program* at Central Michigan University.

Major Budget Changes from FY 2003-04 YTD**Appropriations:****FY 2003-04 YTD
(as of 2/12/04)****Conf.
Changes**

| | | | |
|--|--------------|---------------------|-----------------------|
| 1. Michigan Education Assessment Program (MEAP) | Gross | \$0 | \$24,969,100 |
| The Conference report creates a new Educational Assessment unit to house the MEAP program, which was transferred from the Department of Treasury. | Federal | 0 | 11,283,700 |
| | Restricted | 0 | 13,685,400 |
| 2. Federal Grants | Gross | \$20,000,000 | (\$19,000,000) |
| The Conference report reduces funding for Urgent School Renovation by \$19 million to \$1 million to reflect a continued phase-out of the program at the federal level. | Federal | 20,000,000 | (19,000,000) |
| 3. Driver Education Grants | Gross | \$1,500,000 | (\$1,500,000) |
| The Conference report eliminates from the Department of Education budget \$1.5 million in Driver Education grants to complete that elimination of the program per EO 2003-23 of 2003. | Restricted | 1,500,000 | (1,500,000) |
| 4. School Breakfast Program | Gross | \$10,370,100 | (\$2,345,100) |
| The Conference report provides a reduction of \$2,345,100 in GF/GP to adjust for lower program costs. | GF/GP | 10,370,100 | (2,345,100) |
| 5. Limited License to Instruct Pilot Project | Gross | \$0 | \$150,000 |
| The Conference report allocates \$75,000 to the <i>Alternative Route to Certification Program</i> at Central Michigan University and \$75,000 to the <i>Limited License</i> program. | Restricted | 0 | 150,000 |
| 6. Per Diem Payments | Gross | \$24,400 | \$0 |
| The Conference report includes per diem payments at the current-year level. | GF/GP | 24,400 | 0 |
| 7. National Board Certification Grants | Gross | \$100,000 | \$0 |
| The Conference report maintains a grant which pays for 50% of the fee to become certified by the National Board for Professional Teaching Standards. | Restricted | 100,000 | 0 |

Major Boilerplate Changes from FY 2003-04:**Sec. 211. Special Education Auditor – DELETED**

Removes language requiring that the Department provide funding for a special education auditor to audit school districts' funds for special education services.

Sec. 214. Personal Services Contracts – REVISED

Maintains current language that requires the Department to competitively bid contracts valued at more than \$10,000. Strikes language that prohibits the Department from entering into more than one personal service contract with any one contractor in a fiscal year.

Sec. 218. Contingency Funds – NEW

Does not add new language to provide federal, state, local, and private contingency funds, which could be transferred by the Legislature to another line item to cover shortfalls.

Sec. 215. Prohibition on Out-of-State Travel – NEW

Adds new standard boilerplate language prohibiting out-of-state travel, except under certain conditions.

Sec. 901. Michigan Educational Assessment Program Tests – NEW

Requires the Department to provide MEAP tests to nonpublic and home-schooled students upon request, funded with state funds.